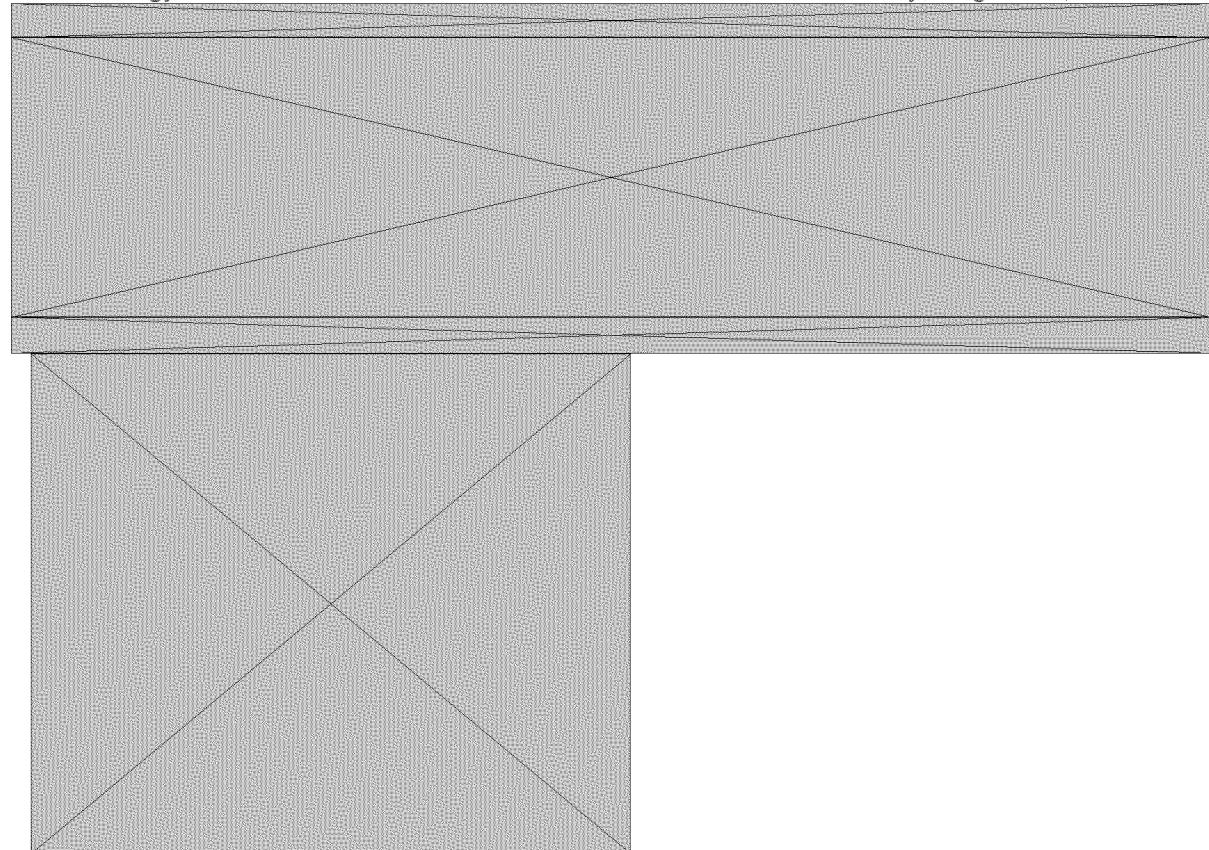


**To:** Tenley, Clancy[Tenley.Clancy@epa.gov]  
**From:** EnergyGuardian  
**Sent:** Wed 8/12/2015 9:40:45 PM  
**Subject:** Greens threaten lawsuit over natural gas exports

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Energy and environment headlines for the afternoon of Wednesday, August 12, 2015



## **Greens threaten lawsuit over natural gas exports**

By Kevin Rogers

Environmental groups on Wednesday threatened to sue the Obama administration if it doesn't move to prohibit the export of U.S. natural gas this year.

In a [petition](#) to the Commerce Department, the Center for Biological Diversity, Friends of the Earth, and Greenpeace call on the administration to move within the year on rulemaking to prohibit exports of both liquefied and gaseous natural gas. The groups charge that, under the Energy Policy and Conservation Act of 1975, Commerce is required to ban exports of natural gas — as it did with crude oil.

The natural gas industry said the groups' argument that gas exports are illegal is without merit.

In response to the news of the petition, a Commerce Department spokesperson said the Energy Department has explicit power to authorize exports under the Natural Gas Act and that the department defers to DOE authority.

The petitioners, however, contend that the existence of the Energy Department's power to authorize gas exports doesn't interfere with the Commerce Department's requirement to ban exports with certain exceptions. They argued that the Energy Department's authority is limited to authorizing exports under those exceptions.

"That DOE has announced the obvious – i.e., DOE is another agency that regulates natural gas exports – does not justify the absence of a DOE rulemaking on natural gas exports as statutorily mandated," the petition said.

The 1975 law says the president shall "promulgate a rule prohibiting the export of crude oil and natural gas produced in the United States," but may provide exemptions "which he determines to be consistent with the national interest and the purposes of this Act."

Frank Macchiarola, executive vice president of American's Natural Gas Alliance, dismissed the argument that the Commerce Department had a legal obligation to prohibit gas exports. He noted that since the passage of EPCA, Congress has produced legislation further elaborating on export authority, including granting the Federal Energy Regulatory Commission authority to site export terminals.

"We don't think there are merits to their claim," he said. "With respect to statutory authority, the Natural Gas Act gives clear authority to the Department of Energy to export natural gas and specifically lays out the conditions with which those applications would be approved through a public interest determination. We think they're on obviously strong, solid legal ground to do so."

The petition also argues that expanded exports would only work to exacerbate climate change, since methane is released during the entire natural gas lifespan, from exploration to liquefaction to its final use. While it doesn't stay in the atmosphere as long as carbon emissions, methane has a higher global-warming potential, the groups said.

Center for Biological Diversity Senior Counsel Bill Snape, the petition's primary author, said the accelerated pace of DOE approvals of natural gas exports runs counter to President Barack Obama's mission to combat climate change.

"Expanding natural gas worsens global warming, harms local communities, raises domestic energy prices and benefits only multinational fossil fuel corporations," Snape said in a statement. "If the Obama administration's really serious about addressing the climate crisis, it has to rein in the glutinous natural gas industry."

The groups also argued that more natural gas on the market would impede the global and domestic development of zero-emitting energy.

"Illegally permitting the export of natural gas is a subsidized incentive that drains both public and private funds away from viable sources of power, such as solar, that receive a pittance of the federal subsidies given to natural gas and other fossil fuels," the petition said.

Other opponents of exports argued that, in addition to the potential environmental impact, that increased exports would hurt domestic consumers through higher prices.

"The primary purpose of allowing natural gas exports is to boost the profits of domestic frackers who want to raise gas prices at the expense of the rest of us," Tyson Slocum, director of Public Citizen's energy program, said in a statement.

But ANGA Director of Policy and Research Analysis Katie Ehlly said that any impact on consumers would be negligible.

"There have been a number of studies done on price and how exporting LNG would affect domestic prices here in the U.S., and they all come out as having very little, minimal impact," she said.

The petition comes as both chambers of Congress move closer to approving legislation to streamline the process for winning approval to ship liquefied natural gas to non-free-trade countries. Sen. John Barrasso, R-Wyo., who has led the Senate push, said that growing exports would be a boon to U.S. economic and geopolitical power.

"As study after study has shown, American liquefied natural gas exports will grow our nation's economy, create jobs, and increase the energy security of key U.S. allies and partners," he said in a statement. "That's why support for these exports continues to grow among Democrats and Republicans."

But Sen. Ed Markey, D-Mass., who raised the issue of the potential illegality of natural gas exports in a letter to Commerce Secretary Penny Pritzker last year, said exports would only hurt U.S. consumers and domestic energy security.

"The Commerce Department has an opportunity to correct a four-decade failure to follow the law by issuing regulations to restrict the export of natural gas," he said in a statement. "It should immediately promulgate the regulations required under the Energy Policy and Conservation Act and protect American families and businesses."

## Quick Links

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**17 states seek federal court review of EPA air quality rules**

**By The Associated Press**

TALLAHASSEE, Fla. (AP) — Seventeen states are asking a federal judge to review a U.S. Environmental Protection Agency move to crack down on states that ease up on pollution limits during power plant startups, shutdowns and malfunctions.

The petition, filed Tuesday in a federal appeals court in Washington, charges the EPA with illegally invalidating the states' air quality protection plans.

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EPA sets national air standards and identifies pollutants that pose public health dangers. States must implement plans to comply with these standards.

Florida Attorney General Pam Bondi called EPA's invalidation of state air quality plans a "heavy-handed federal overreach" that threatens to disrupt the state's energy system and raise rates.

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## **Judge OKs \$5 million deal ending suit over Arkansas oil leak**

**By Kelly P. Kissel**

LITTLE ROCK, Ark. (AP) — A federal judge approved a \$5 million settlement among the operators of an oil pipeline, the state of Arkansas and the federal government Wednesday, finding that the deal to end claims stemming from a spill two years ago satisfied the public interest even if it might not be the best pact possible.

Crude oil breached the Pegasus pipeline on March 29, 2013, oozing 3,190 barrels of oil onto land and water at Mayflower, 20 miles northwest of Little Rock. Exxon Mobil Corp. agreed to pay \$3.19 million in fines to the federal government, plus nearly \$1.9 million in fines, fees and other payments to Arkansas.

U.S. District Judge Kristine Baker said the agreement complies with the Clean Water Act and is fair to all parties. She rejected a request by the water utility that serves Little Rock to have the company move another portion of the pipeline that runs through a major reservoir's watershed.

"A consent decree is not reviewed as a judgment on the merits ... and it is not (the court's) function to determine whether this is the best possible settlement," Baker wrote, quoting previous cases. She said the pact was "within the reaches of the public interest."

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## **Experts see long-term calamity from Colorado mine spill**

**By Matthew Brown and P. Solomon Banda**

DURANGO, Colorado (AP) — The toxic waste gushing from a Colorado mine and threatening downstream water supplies in at least three states will continue to be dangerous whenever contaminated sediments get stirred up from the river bottom, authorities said

Wednesday, suggesting that there's no easy fix to what could be a long-term calamity.

The immediate impact of the 3 million gallon spill was easing as the orange-tinted contamination plume becomes more diluted on its way into Lake Powell along the Utah-Arizona border. But the strong dose of arsenic, cadmium, lead and other heavy metals is settling out as the wastewater travels downstream, layering river bottoms with contaminants sure to pose risks in the future.

"There will be a source of these contaminants in the rivers for a long time," said hydrologist Tom Myers, who runs a Nevada-based consulting business. "Every time there's a high flow it will stir it up and it will be moving those contaminants downstream."

The Environmental Protection Agency had pushed for 25 years to grant Superfund status to the partly collapsed Gold King mine and other idled mine sites leaking heavy metals above Silverton, Colorado. That would have brought in major funds for a comprehensive cleanup. But local authorities spurned federal intervention, leaving a smaller EPA-led team to investigate the steady stream of pollution. That team accidentally breached a debris wall on Aug. 5, unleashing a huge pool of contaminated water.

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## **Great Lakes gasoline prices jump after partial refinery shutdown**

By Jeff Karoub

DETROIT (AP) — Oil and gas industry watchers said Wednesday prices at the pump have jumped across the Great Lakes region because of the unexpected, partial shutdown of a large Indiana oil refinery, and those increases could continue.

According to GasBuddy.com, the most affected states are Michigan, Indiana, Ohio and Illinois, but others, including Minnesota and Wisconsin, are also seeing increases.

"It's a big deal," said Patrick DeHaan, GasBuddy's senior petroleum analyst. "It's the region's largest refinery made up of multiple units, and this is the largest unit. ... The market is certainly (experiencing) some panic buying, and that's represented in retail prices."

The BP Whiting Refinery in northern Indiana shut down the largest of three crude distillation units Saturday for what the company calls "unscheduled repair work," according to a statement. BP said the rest of the refinery is operating at reduced production.

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## **Helicopter flying from oil rig crashes in Nigeria,**

## killing 4

**By The Associated Press**

LAGOS, Nigeria (AP) — A helicopter traveling from an oil rig crashed into the lagoon in Nigeria's commercial capital, Lagos, killing four people on Wednesday, according to aviation officials.

The helicopter belongs to Bristow, a Houston, Texas-based firm that charters helicopters to oil and gas companies, said spokesman Yakubu Dati of the Federal Airports Authority of Nigeria.

Dati said four people died and eight survived. Injured victims were taken to the hospital, according to the National Emergency Management Agency.

Bristow said in a statement that it was still working to identify those on board and the extent of any injuries. It said preliminary information indicated the chopper was carrying two crew and eight passengers. The nationalities of those involved weren't immediately known.

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**A message from the American Petroleum Institute**

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## Guyana abandons plans to build \$2.6B hydropower plant

**By The Associated Press**

GEORGETOWN, Guyana (AP) — Guyana is scrapping plans to build a \$2.6 billion hydropower plant following concerns about the cost of a project that has been repeatedly delayed.

Finance Minister Winston Jordan said Wednesday that the cost would be more than double the country's external debt.

The project aimed to generate 165 megawatts to end rolling blackouts and provide cheaper and cleaner electricity, especially to rural jungle communities.

Jordan said officials are now researching a large waterfall near the border with Venezuela as the possible site for a larger and cheaper plant with help from Brazil's government.

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## **Pemex says deadly blast caused by outside work**

**By The Associated Press**

MEXICO CITY (AP) — Mexican authorities say a gas pipeline explosion that killed five people was caused by construction workers who hit a pipeline with excavating machinery.

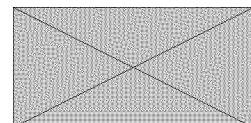
State oil company Petroleos Mexicanos said late Tuesday the five dead were working on a construction project near the northern city of Monterrey that had nothing to do with Pemex.

The company had originally identified the dead as "subcontractors," a term often used to refer to private firms that work for Pemex.

The explosion sparked a fire fueled by gas remaining in the pipeline. The company said the fire was burning out.

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## **Week in Review - Clean Power Plan rolls out amid charges of collusion**

Meanwhile, power plant emissions hit 27-year low.

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## **Report: Officials fighting federal land control are extremists**

A report by the Center for Western Priorities says politicians trying to bring federal lands back under the control of state and local governments are extremists, like rancher Cliven Bundy—but try not to sound like it, according to The Denver Post.

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## **Final carbon rule 'a comedy', Kentucky official says**

EPA Administrator Gina McCarthy says the final Clean Power Plan guarantees "fairness" [Trouble seeing this email? Click here.](#)

across the board", but Kentucky's Energy Secretary says the draft rule was like "a murder mystery" and the final rule is "a comedy", E&E reports.

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## **Oil gains held back by inventory report**

A smaller-than-expected drop in U.S. crude inventories reined in oil prices Wednesday. Light, sweet crude for September delivery finished 22 cents higher to settle at \$43.30 a barrel on the Nymex, while in London, Brent gained 48 cents to \$49.66, MarketWatch reports.

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## **Refining margins unlikely to improve further**

Refining margins have helped ease some of the earnings pain for integrated oil companies during the crude prices collapse, but The Wall Street Journal says the picture may get gloomier going forward.

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## **Texas consumers take long time to benefit from electricity competition**

A new study says Texas customers who live in deregulated electricity markets are finally paying less than the national average, after spending a decade paying more, the Houston Chronicle reports.

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## **Exelon subsidiary to finance Bloom fuel cells**

Financing for 40 megawatts of Bloom Energy fuel cells will come from Exelon subsidiary Constellation, Fortune reports.

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## **Energy sector continuing to shed jobs**

The latest Labor Department report said the mining sector—which includes oil and gas production and support services, as well as coal—lost 5,000 jobs in July, which brings the total to roughly 66,000 jobs gone in the past year, E&E reports.

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## **Japan doubles down on coal**

Despite the move this week to restart one of Japan's idled nuclear power plants, the country

is building dozens of new coal-fired plants and hoping to sell more overseas, Politico reports.

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